



**2013/2014**

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***Draft Annual Report incorporating section  
46 report***

***Volume I***

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## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD (Cllr N.B. Mchunu)

Fellow citizens of Indaka Municipality

The year has come to the end, thus it is now that period of reviewing the progress made in implementing the targets the Municipality sets itself for the year 2013/2014.

Firstly, one must commend the Municipality for obtaining unqualified report with matters of emphasis in the year 2012/2013 with a hope of an improved audit opinion in the year under review.

The annual report serves as a tool for reporting on the achievements made and the challenges encountered during the year. It also highlights the areas of under-performance and the corrective measures that need to be taken to rectify the situation.

The Municipality is not a stand-alone but a sphere of government entrusted with responsibilities under section 84 of the Municipal Structures Act. There are other functions which fall under the provincial and national sphere of government and in the spirit of cooperative governance that must be aligned with those of the Municipality.

The Municipality in preparation of its IDP, it takes into cognizance the Provincial and Growth Development Strategy (PGDS), the State of the Nation Address, the State of the Province Address and other important macro-economic policies of the country like EPWP, ASGI-SA etc. It also bears in mind the National Development Plan as a long-term vision of the country.

The Municipality performed well in four of the five National Key Performance Areas (KPA’s) and the challenge was in service delivery and infrastructure development. The projects earmarked for 2013/2014 was not finished and roll-over application was made to do them in 2014/2015.

As a corrective measure the assistance was requested from CoGTA to provide the Municipality with necessary technical skills to fast track the completion of projects. Treasury has deployed its Crack Team to assist the Municipality in respect of awarding of tenders and the implementation of projects.

The community of Indaka is also aware that Indaka Municipality and Emnambithi Municipality will merge and form one municipality after the next local government elections. The process of amalgamation has commenced and the systems are in the process of being combined preparing the upcoming merger.

As part of public participation, the Municipality has the functional ward committees which assist in communicating the municipal programmes and projects to the communities. The office of the Mayor in conjunction with of the Speaker are conducting community izimbizos and roadshows to communicate the IDP, budget, annual reports and in-year report to the communities.

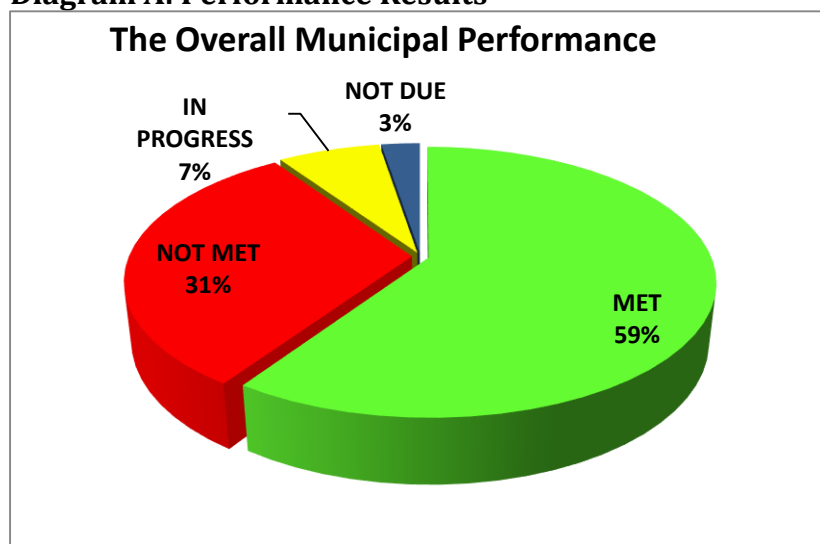
The media in terms of newspapers and municipal website is also used as the platform for public participation.

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### 1.1.1 Introduction

#### Diagram A: Performance Results



Indaka is an administrative area in the Uthukela District of KwaZulu Natal in South Africa. The Municipality is named after the Indaka River that runs through the municipal area. The local authority serves the community in and around Limehil – Mhlumayo east of Ladysmith. The Municipality occupies a geographical area of approximately 990 square kilometres. Two major traffic routes provide access to Indaka namely the N3 and N11 and the Municipality is situated along the Helpmekaar Road which links it to Ladysmith and Pomeroy.

Indaka Municipality like all municipalities derive its powers and functions in section 156 and listed in schedule 4 Part B and Schedule 5 Part B of the Constitution of the Republic, section 108 of 1996. Appendix D of this report states all powers and functions as per the aforesaid schedule, further to that there is an assessment as to whether the Indaka Municipality actually performs each power or function.

#### 1.1.2 Institutional Overview

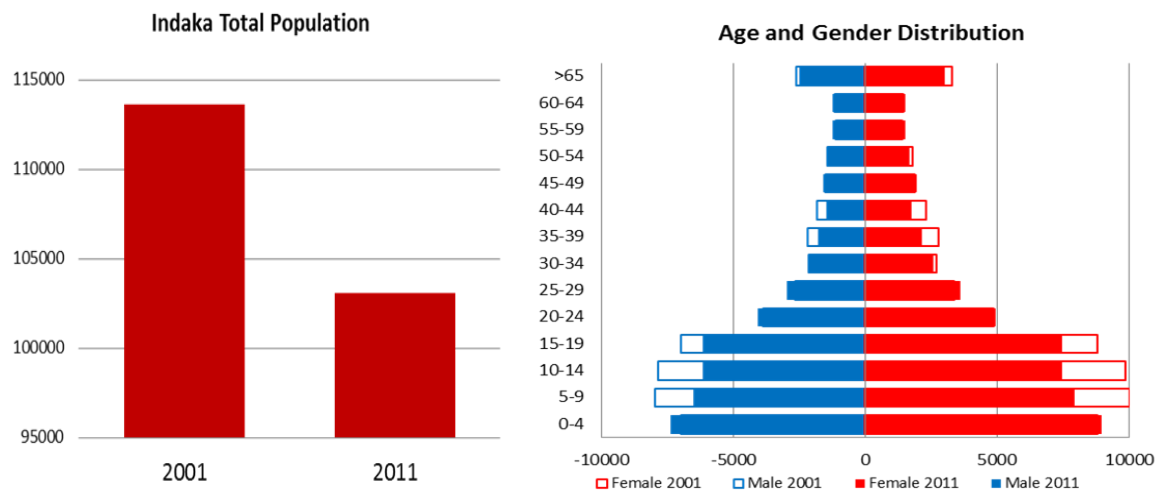
Indaka Municipality has set its vision as “A Municipality without poverty in 2030”. Contained in the municipality’s IDP is a set of objectives through which the municipality believes that they serve as a vehicle towards reaching its long term vision.

### 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

#### INTRODUCTION TO BACKGROUND DATA

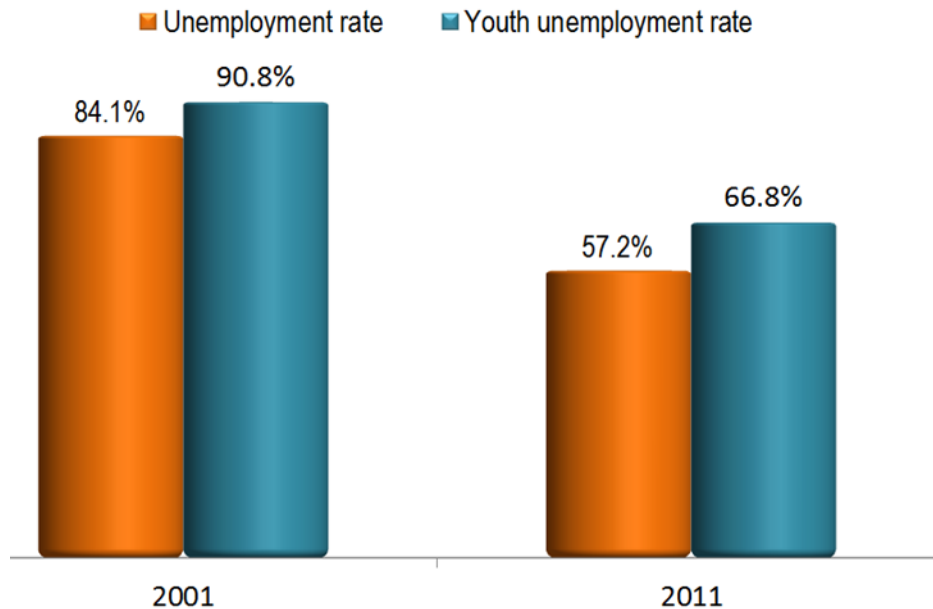
According to Statistics South Africa the population projections of Indaka is estimated at 103 116, which reflects a population decrease of about 10 528 people since 2001.

KZN233: Indaka	Distribution of population by age and sex, Indaka Local Municipality- 2001 and 2011					
	2001			2011		
	Male	Female	Total	Male	Female	Total
0-4	7 809	7 984	<b>15 793</b>	8 366	7 943	<b>16 308</b>
5-9	8 967	9 016	<b>17 713</b>	7 359	7 106	<b>14 464</b>
10-19	16 543	16 992	<b>33 535</b>	13 720	13 535	<b>27 255</b>
20-29	6 289	8 489	<b>14 778</b>	6 495	9 156	<b>15 651</b>
30-39	3 519	6 291	<b>9 810</b>	3 580	5 041	<b>8 621</b>
40-49	2 709	4 811	<b>7 520</b>	2 490	4 279	<b>6 769</b>
50-59	2 067	3 670	<b>5 737</b>	2 061	3 729	<b>5 790</b>
60-69	1 324	3 208	<b>4 532</b>	1 490	2 966	<b>4 456</b>
70+	1 021	2 932	<b>3 953</b>	950	2 852	<b>3 802</b>
<b>Total</b>	<b>50 249</b>	<b>63 395</b>	<b>113 644</b>	<b>46 509</b>	<b>56 607</b>	<b>103 116</b>
Source: Census 2011						

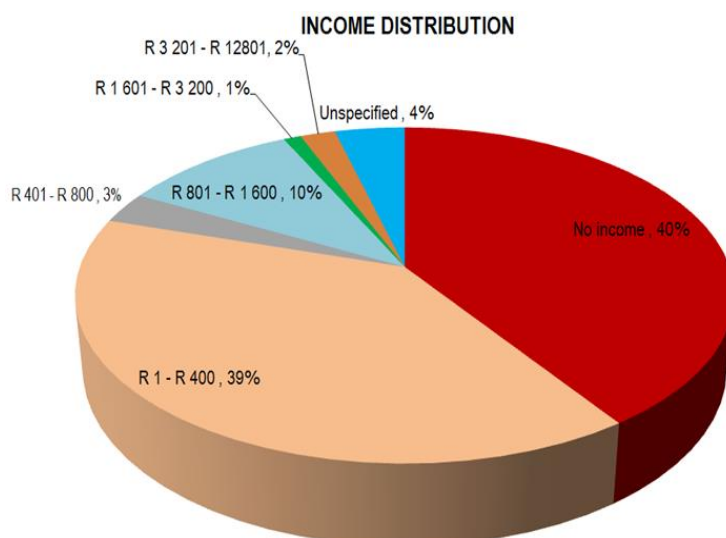


## SOCIO-ECONOMIC PROFILE

### GENERAL AND YOUTH UNEMPLOYMENT RATE



The Indaka due to the fact that it is at the very periphery of the district has the high rate of unemployment. But the rate of unemployment for the last 10 years since 2001 has dropped by almost 27%. The contributing factor for this is attributed to the increase in employment in agriculture, sand mining & quarrying, construction, manufacturing and retail business to name a few. Having said that the rate of unemployment among youth is still high because it is at 67% as per 2011 Census.



The chart above depicts that about 40% of people at Indaka do not have income. That needs urgent from all spheres of government and the private sector to address.

## TIMELINES FOR PRODUCING THE ANNUAL REPORT

No.	Activity	Applicable legislation & Guidance	Process Owner	Timeframe
1.	Consideration of next financial year's Budget and IDP Process Plan. The process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	MSA s41 (1)(e)	MM S56 Managers IDP/PMS Manager	July 2014
2.	Implementation and monitoring of approved Budget and IDP commences (in-year financial reporting).	MSA s41 (1)(e)	MM S56 Managers IDP Manager	
3.	Finalise the 4 <sup>th</sup> quarter report for the previous financial year	MFMA s52(d)	MM S56 Managers IDP/PMS Manager	
4.	Submit draft year 0 Annual Report to Internal Audit and Auditor General	MFMA s126(1) MSA s46	MM CFO PMS Manager	
5.	Audit/Performance committee considers draft Annual Report of Municipality	MFMA s166 (b)	AC/PAC	August 2014
6.	Mayor tables the unaudited Annual Report	MFMA s121(3)(a-k)	Mayor	
7.	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General (AG)		MM	
8.	Annual Performance Report as submitted to AG to be provided as input into IDP Analysis Phase	The annual report and oversight report to be used to plan for the forthcoming IDP review	Council MM S56 Managers IDP Manager	
9.	AG audits Annual Report including consolidated Annual Financial Statements and Performance Data	MFMA s126(3)(b)	AG-SA	September – October 2014
10.	Municipalities receive and start to address the AG's comments		Council	

11.	Mayor tables Annual Report and audited Financial Statements to Council with AG's Report	MFMA s127	Mayor	November-December 2014
12.	Audited Annual Report is made public and representations are invited	MFMA s75	PMS Manager	January-February 2015
13.	Oversight Committee assesses Annual Report	MFMA s129	Oversight Committee	March 2014
14.	Council Adopts Oversight Report		Council	
15.	Oversight Report is made public	MFMA s75	PMS Manager	
16.	Oversight Report is submitted to relevant provincial council	The Oversight Report must be submitted to relevant provincial legislators after approved by Council.		



## CHAPTER 2 – GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

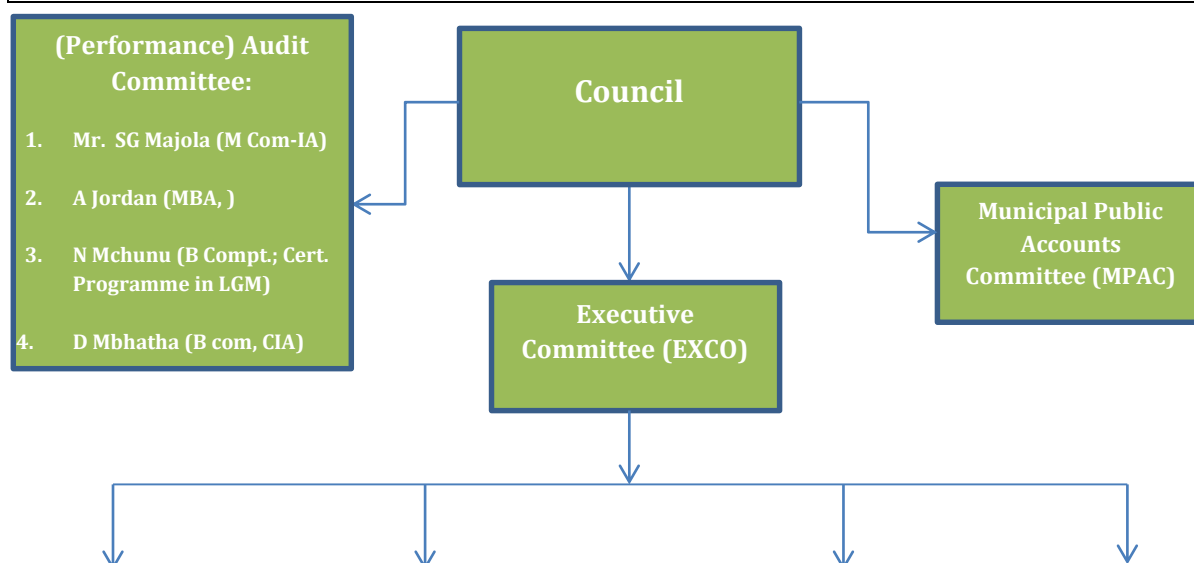
##### INTRODUCTION TO POLITICAL STRUCTURE

A proper distinction has been made between role players conducting governance in the municipality. This distinction is essential because each group on the level of governance has specific responsibilities and has therefore specific roles to play for which they are accountable. In accordance with the Systems Act (Act 32 of 2000), these roles should be subjected to performance and risk management and eventually to internal audit to verify the processes and the outcomes.

Councillors are elected by the community and therefore the community members hold councillors responsible for service delivery and the implementation of Batho Pele principles. The approved Performance Management System of the municipality required that roles and responsibilities as outlined in the planning documents of the council (IDP, Budget & SDBIP) is cascaded down between accountable and responsible departments for implementation.

There was a challenge in monitoring of pre-determined objectives by the Council in the year under review because there was no Performance Evaluation Panel established by the Municipality in terms of Performance Regulations for Municipal Managers and Managers directly accountable to the municipal manager. This is going to be one of the priorities of the Council in the next financial year.

Decisions are taken by full members of the council. The Executive Committee (Exco) resolves on matters delegated to it and recommends to Council on matters that are not delegated.



Financial Services  
Committee

Corporate Services  
Committee

Community Services  
Committee

Planning and  
Technical Services  
Committee

## 2.2 ADMINISTRATIVE GOVERNANCE

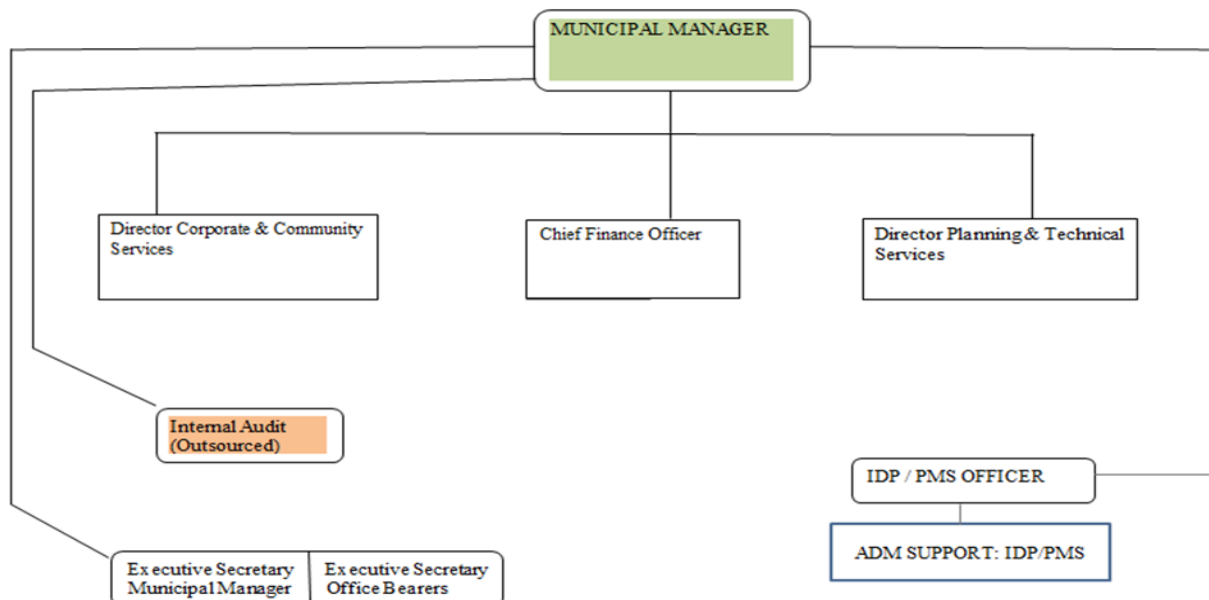
### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Administrative wing of the Municipality comprises of the Municipal Manager as the accounting officer, Heads of Departments and all employees of the Municipality.

The administration is entrusted by Council to ensure the provision of services to the local community in a manner as enshrined in sections 152 and 195 of the Constitution.

The SDBIPs serve as a tool in ensuring the provision of services as highlighted above.

### TOP ADMINISTRATIVE STRUCTURE



The Municipality from the third quarter of the year under review has the full complement of the senior management with the CFO and Director Corporate & Community Services appointed in February and April respectively.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3 INTERGOVERNMENTAL RELATIONS

#### DISTRICT INTERGOVERNMENTAL RELATIONS

The Municipality is participating in the District Intergovernmental Relations this include the Mayors forum, Technical Support Forum, Corporate and Communication forum (principal Municipal Manager of Indaka, District Area Finance support forum (Okhahlamba MM), Planning and Development forum (Umtshezi MM), Infrastructure Forum (Emnambithi MM) , General and Social Services forum (Imbabazane MM).

These committees meet on a quarterly basis and report to Mayors forum which ultimately report to provincial government.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4 PUBLIC MEETINGS

#### COMMUNICATION, PARTICIPATION AND FORUMS

Public meetings are hosted by the Mayor and Speaker following the public participation programme. All public notices as per section 21A of the Municipal Systems Act, 32 of 2000 are made and community participation in matters of the municipality fostered.

#### WARD COMMITTEES

The ward committees have been established and functional. They are submitted their monthly sectoral reports to the Office of the Speaker through Community Services. Further to that to check their functionality, the Municipality is using CoGTA developed template to assess them on a quarterly basis. For further information refer to Appendix E.

### 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP ALIGNMENT CRITERIA	Yes/No
Does the Municipality have clearly defined indicators?	Yes
Does the IDP have priorities, objectives, KPIs and development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and they can calculate into score?	Yes
Does the budget align directly to the KPIs strategic plan?	Yes
Do the IDP KPIs align to the section 54/56 managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted with stipulated timeframes?	Yes

## COMPONENT D: CORPORATE GOVERNANCE

### 2.5 RISK MANAGEMENT

#### RISK MANAGEMENT

The risk assessment was conducted by Management with the help of our Internal Audit Unit. Following that assessment the Management prepared their departmental risk registers which were subjected to auditing by our internal auditors.

The Management agreed that the risk register must be updated and submitted on a monthly basis together with monthly reports. The monthly reports from all departments are accompanied by risk register reports.

### 2.7 ANTI-CORRUPTION AND FRAUD

#### ANTI-CORRUPTION STRATEGY

The strategy was developed and adopted by the Council in January 2014. This year the Municipality will review whether the strategy implementation is effective and meeting its intended purpose.

### 2.8 SUPPLY CHAIN MANAGEMENT

#### OVER-VIEW OF SUPPLY CHAIN MANAGEMENT

The SCM Unit is functional. The SCM policy was adopted by the Council which underpins the functioning of the unit. The Bid committees which are the crucial body in the functioning of the unit have been established and functional.

### 2.9. WEBSITE

#### INTRODUCTION TO MUNICIPAL WEBSITE

The Municipal website is functional and crucial documents in terms of section 21B (MSA) and 75 (MFMA) are posted. Website address is [www.indaka.gov.za](http://www.indaka.gov.za)

### 2.10 PERFORMANCE MANAGEMENT SYSTEM

#### OVERVIEW OF MUNICIPAL PMS

The Performance Management Unit of the Municipality despite challenges but it has strived to ensure that crucial documents, like organisational scorecard, Service Delivery and Budget Implementation Plans (SDBIPs) are prepared and adopted.

### 2.11 INTERNAL AUDIT UNIT

## OVERVIEW OF THE INTERNAL AUDIT

The Internal Audit Unit is outsourced; this function is done in terms of section 165 of the MFMA.

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### COMPONENT A: BASIC SERVICES

#### 1. PURPOSE

The purpose of this report is to inform the Council regarding the progress made with the implementation of the Key Performance Indicators (KPIs) in the realisation of the development strategies and objectives as determined in the Municipal Integrated Development Plan (IDP) as well as the Top Layer Service Delivery Budget and Implementation Plan (SDBIP) for the year ended 30<sup>th</sup> June 2014.

#### 2. LEGISLATIVE REQUIREMENTS





- (a) Section 46 of the Local Government: Municipal Systems Act, 32 of 2000 states that a municipality must prepare for each financial year a performance report reflecting-
- the performance of the municipality and of each external service provider during that financial year;
  - a comparison of the performances referred to above with targets set for and performances in the previous financial year; and
  - measures taken to improve performance.
- (b) This report must form part of the municipality's annual report developed in terms of chapter 12 of the MFMA

#### 3. BACKGROUND TO THE FORMAT AND MONITORING OF THE SDBIP

##### 3.1. FORMAT

- (a) The Municipality's SDBIP consists of the Top Layer SDBIP as well as the Departmental Plan for each individual Department.
- (b) The Top Layer SDBIP is used to report to Council and the Community on the organisational performance of the Municipality.
- (c) The Top Layer SDBIP measure the achievement of the performance indicators with regards to the provision of basic services as prescribed in terms of section 10 of the Local Government: Municipal Planning and Performance Regulations of 2001, National Key Performance Areas and the strategic objectives as detailed in the Integrated Development Plan (IDP).
- (d) The Departmental SDBIP's measure the achievement of performance indicators that have been determined with regard to operational service delivery within each department and have been aligned with the Top Layer SDBIP.

- (e) The Departmental Plans have been approved by the Mayor for Municipal Manager and the Municipal Manager for Managers directly accountable to the municipal manager during the start of the financial year.
- (f) The annual performance report is structured to report on the five (5) National Key Performance Areas (KPA's) linked to the IDP objectives and strategies.
- (g) The overall assessment of the actual performance against targets set for the key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Colour Description		Definition of the KPIs	Terminology (Description)
	Red	Target not met	Unacceptable performance
	Yellow	Target in progress	Not fully effective performance
	Green	Target met	Fully effective performance
	Blue	Target not due	Target which is not applicable to this financial year

### 3.2. MONITORING

- (a) The departmental monthly performance reports are submitted to the office of the Municipal Manager before the 10<sup>th</sup> of every month to allow the compilation of the Municipal Performance Report.
- (b) The reports consists graphs which indicates actual performance against pre-determined targets. The graphs provide a good indication as to where the attention to be directed to in terms of corrective measures for under-performance.
- (c) As per section 46(1)(iii) of the MSA, the Municipality is required to reflect on the measures which are or were taken to improve performance

## 4. ACTUAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2014 (DEPARTMENTAL SDBIPs)

4.1. Departmental SDBIP indicates performance indicators per National Key Performance Areas and comments with corrective measures with regards to indicators not achieved for the office of the Municipal Manager, Department of Finance, Department of Planning & Technical Services and Department of Corporate and Community Services.

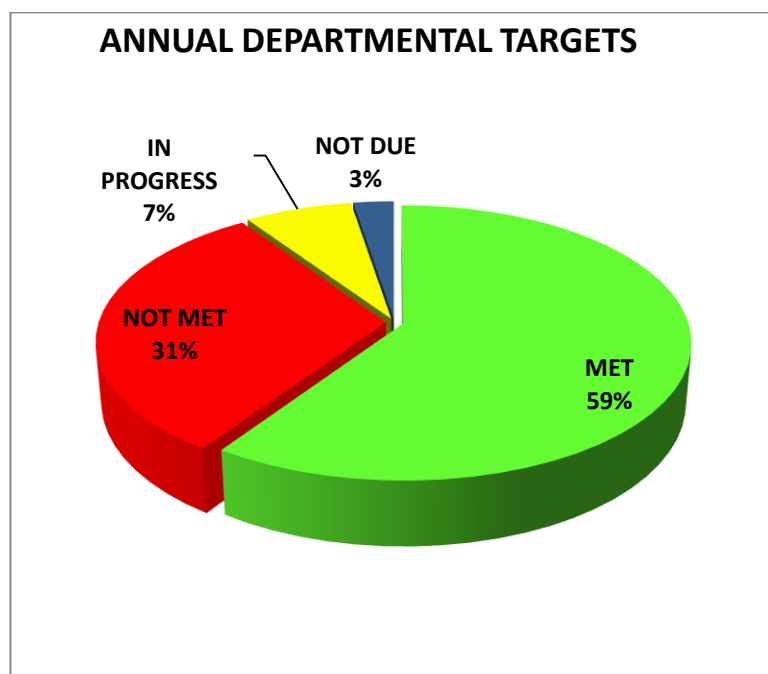
Below are the graphs summarising departmental performances as per NKPA's.

#### 4.1.1. Office of the Municipal Manager

Table 1

National Key Performance Areas											
Colour and category	Basic Service Delivery and Infrastructure		Municipal Transformation and Institutional Development		Local Economic Development		Municipal Financial Viability and Management		Good Governance & Public Participation		Total
	23	48%	01	11%	01	13%	08	31%	03	14%	36 31%
	21	44%	07	78%	05	62%	18	69%	18	86%	69 59%
	04	8%	-	-	-	-	-	-	4	33%	08 7%
	-	-	01	11%	02	25%	-	-	-	-	03 3%
Total	48	100%	09	100%	08	100%	26	100%	17	100%	116 100%

Chart 1



The office of the Municipal Manager has 116 annual targets. The office met 69 targets which translate to 59 per cent. For further information on targets which were not met refer to Municipal Manager's SDBIP.

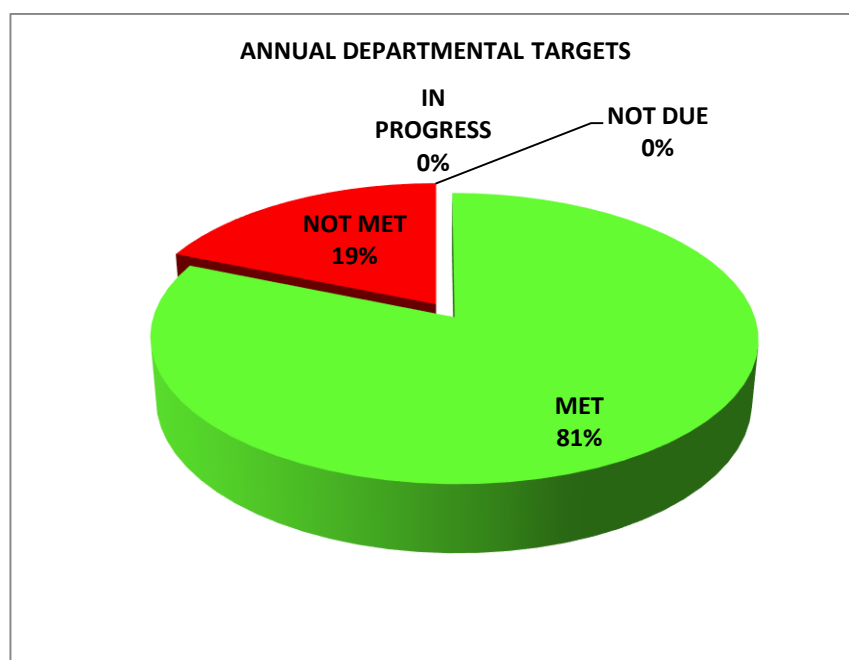
The office must pay attention mainly to service delivery targets which were the biggest contributor to the unmet targets. The concrete corrective measures must be taken and follow up must be documented.

#### 4.1.2. Department of Finance

Table 2

National Key Performance Areas												
Colour and category	Basic Service Delivery and Infrastructure		Municipal Transformation and Institutional Development		Local Economic Development		Municipal Financial Viability and Management		Good Governance & Public Participation		Total	
	-	-	1	50%	-	-	5	17%	-	-	6	19%
	-	-	1	50%	-	-	25	83	-	-	26	81%
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	2	100%	-	-	30	100%	-	-	32	100%

Chart 2



Department of Finance has 32 annual targets. The department met 25 targets which translate to 81 per cent. The Department must pay special attention to the development of the Revenue Enhancement Strategy and valuation of properties for MPRA implementation. For further information on targets which were not met refer to Departmental SDBIP.

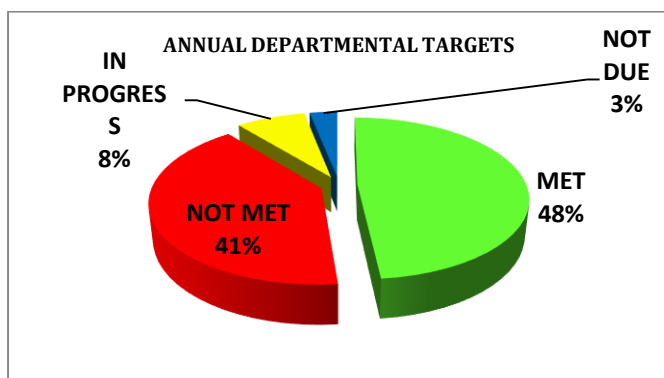


#### 4.1.3. Department of Planning and Technical Services

Table 3

National Key Performance Areas											
Colour and category	Basic Service Delivery and Infrastructure		Municipal Transformation and Institutional Development		Local Economic Development		Municipal Financial Viability and Management		Good Governance & Public Participation		Total
	23	48%	02	33%	01	13%	-	-	-	-	26 41%
	21	44%	03	50%	05	62%	02	100%	-	-	31 48%
	04	8%	01	17%	-	-	-	-	-	-	05 8%
	-	-	-	-	02	25%	-	-	-	-	02 3%
<b>Total</b>	<b>48</b>	<b>100%</b>	<b>06</b>	<b>100%</b>	<b>08</b>	<b>100%</b>	<b>02</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>64 100%</b>

Chart 3

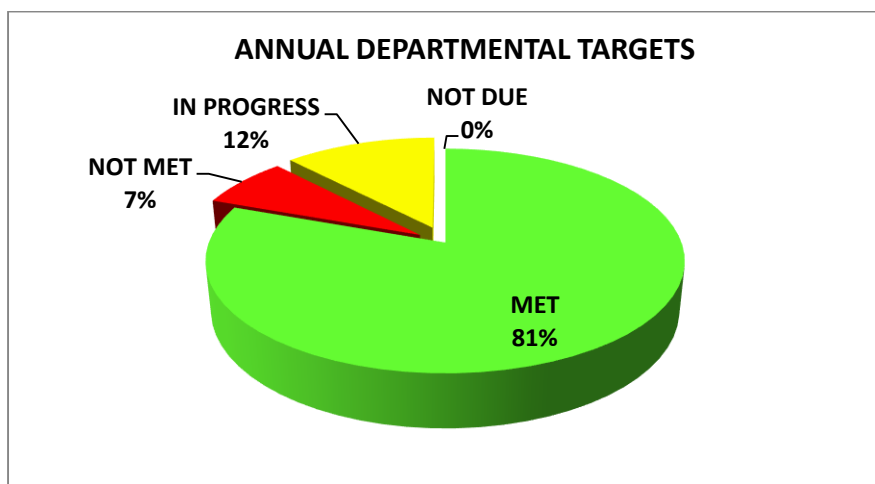


Department of Planning and Technical Services have 64 annual targets. The department met 31 targets which translate to 48 per cent. The department must pay special attention to service delivery targets which is its core functions. The corrective measures for those unmet targets must be provided together with the root causes. For further information on targets which were not met refer to Departmental SDBIP.

#### 4.1.4. Department of Corporate and Community Services

National Key Performance Areas												
Colour and category	Basic Service Delivery and Infrastructure		Municipal Transformation and Institutional Development		Local Economic Development		Municipal Financial Viability and Management		Good Governance & Public Participation		Total	
	-	-	3	14%	-	-	-	-	-	-	03	7%
	-	-	14	67%	-	-	07	100%	11	92%	33	81%
	-	-	4	19%	-	-	-	-	01	8%	05	12%
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	21	100%	-	-	07	100%	12	100%	41	100%

Chart 4



Department of Corporate and Community Services have 41 annual targets. The department met 33 targets which translate to 81 per cent. The areas which need improvement are structuring of trainings and implementation of reasonable targets and budgeting accordingly. For further information on targets which were not met refer to Departmental SDBIP.

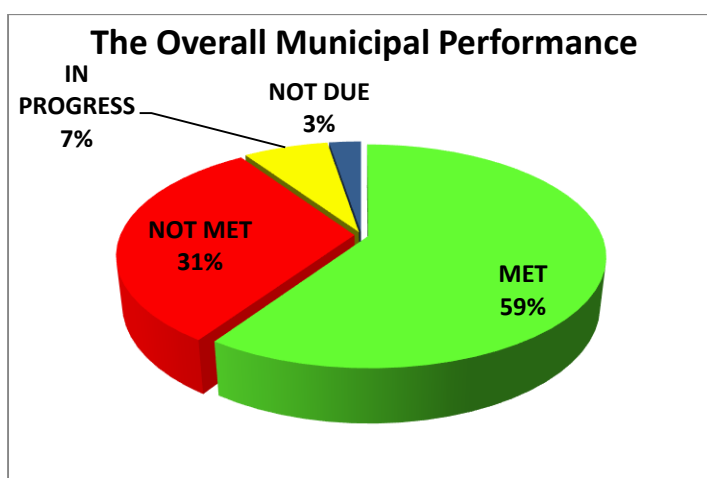
## 5. OVERALL PERFORMANCE OF THE MUNICIPALITY (TOP LAYER SDBIP)

5.1. The following graphs illustrate the overall performance of the Municipality measured in terms of the Top Layer (Strategic) SDBIP as at the end of the first year thus ended 30<sup>th</sup> June 2014, which takes into consideration the departmental (Tactical & Operational) SDBIPs as afore illustrated.

5.2. The performance is measured and reported as per National Key Performance Areas. As illustrated below, please find the performance charts.

### Top Layer SDBIP Report

National Key Performance Areas											
Colour and category	Basic Service Delivery and Infrastructure		Municipal Transformation and Institutional Development		Local Economic Development		Municipal Financial Viability and Management		Good Governance & Public Participation		Total
	23	48%	01	11%	01	13%	08	31%	03	14%	36 31%
	21	44%	07	78%	05	62%	18	69%	18	86%	69 59%
	04	8%	-	-	-	-	-	-	4	33%	08 7%
	-	-	01	11%	02	25%	-	-	-	-	03 3%
Total	48	100%	09	100%	08	100%	26	100%	17	100%	116 100%



The Municipality has 116 quarterly targets. The Municipality met 69 targets which translate to 59 per cent. For further information on targets which were not met refer to Top Layer's SDBIP in page (i).

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

Council trained all senior managers and most leadership were trained in Executive Leadership Course, and we are in the process of getting all senior managers and finance officials competent to adhere to the Treasury Regulations.

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Initials & Surname	Position appointed	Date of Appointment	Department
1. Ms X.C Biyela	Librarian	03 February 2014	Corporate and Community Services
2. Ms S.R.C Mbhele	Executive Secretary (Office Bearers)	03 February 2014	Executive (MM's Office)
3. Mr M.I Mbona	Chief Finance Officer	14 February 2014	Finance Services
4. Mr O.S Mnguni	Director Corporate & Community Services	01 April 2014	Corporate and Community Services
5. Ms S.F Ngcobo	Librarian	05 May 2014	Corporate and Community Services
Councillor Replacement			
Name of Councillor appointed	Position appointed	Date of appointment	Councillor being replaced
1. Cllr S. Simelane	PR Councillor	23 June 2014	Cllr N.P Nzuza

List of Terminations during 2013/2014 F/Y

Initials & Surname	Previous Position	Date of Termination	Reason for Termination
1. Mrs N.P Buthelezi-Ngcobo	<b>Librarian</b>	26 August 2013	Resignation
2. Mrs N.H.M Dladla	<b>Director Corporate &amp; Community Services</b>	06 September 2013	Resignation
3. Mr M.S Mtshali	<b>General Assistant</b>	07 February 2014	Resignation
4. Mr M. Mjwara	<b>Financial Intern.</b>	26 March 2013	Resignation
5. Ms X.C Biyela	<b>Librarian</b>	07 April 2014	Resignation
6.Mr B.S Langa	<b>General Assistant</b>	30 April 2014	Medical boarding
7. Mr V.D Sithole	<b>General Assistant</b>	01 June 2014	Death
8. Ms A.S Dlamini	<b>Financial Intern.</b>	27 June 2014	Resignation

**COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**

**4.2 POLICIES**

The Municipal policies has been workshopped and adopted by Council.

#### 4.3. INJURIES, SICKNESS AND SUSPENSIONS

This topic is covered under corporate services in chapter 3

### COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

#### 4.4 SKILLS DEVELOPMENT AND TRAINING

### COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

#### 4.6 EMPLOYEE EXPENDITURE

Employee expenditure allowed

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

The financial performance of the Municipality is articulated in section 3.9 and in annual financial statements.

### COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires the municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Finance Officer states that these data sets have been returned according to the reporting requirements.

Signed: (Chief Finance Officer).....Date.....

See appendix T

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

#### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

##### 6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

The Municipality obtained an unqualified report from 2012/2013 financial year. The Municipality anticipate the improvement from last year's audit opinion.

#### COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

##### 6.2 AUDITOR GENERAL REPORT YEAR 0 (CURRENT YEAR)

Pending the finalisation of 2012/2013 audit

Auditor-General Report on Financial Performance Year 0	
Non-Compliance Issues	Remedial Action Taken
Restatement of corresponding figures	Action Plan developed and approved by the Council
Unaudited supplementary values	

Auditor-General Report on Service Delivery Performance: Year 0	
Non-Compliance Issues	Remedial Action Take
Reported performance not reliable	Action Plan developed and approved by the Council
Inadequacy of Performance Management to detect, prevent and address risks associated with performance reporting	

#### AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS: YEAR -0

#### MUNICIPAL MANAGER/CFO COMMENTS ON AG'S REPORT: YEAR



***Volume ii***

***Annual Financial statements***

## APPENDICES

Appendix A: Councillors, Committee allocation and Council attendance;

Appendix B: Committee and Committee Purpose;

Appendix C: Third Tier Administrative Structure;

Appendix D: Functions of the Municipality/Entity;

Appendix E: Ward Reporting;

Appendix F: Ward Information;

Appendix G: Recommendations of the Municipal Audit committee;

Appendix H: Long term Contracts and Public Private Partnership;

Appendix I: Municipality Entity/Service Provider Performance Schedule;

Appendix J: Disclosure of Financial Interest;

Appendix K: Revenue Collection Performance

Appendix K (i): Revenue Collection Performance by Vote;

Appendix K (ii): Revenue Collection Performance by Source;

Appendix L: Conditional Grants Received (Excluding MIG);

Appendix M: Capital Expenditure-New & Upgrade/ Renewal Programmes (Including MIG);

Appendix M (i): Capital Expenditure-New Asset Programme;

Appendix M(ii): Capital Expenditure-Upgrade/Renewal Programme;

Appendix N: Capital Programme by Project current year;

Appendix O: Capital Programme by Project by Ward current year;

Appendix P: Service Connection Backlogs at Schools and Clinics;

Appendix Q: Service Backlogs experienced by the Community where other sphere of gov. is responsible to provide service.

Appendix S: Declaration of Returns not Made in due time under S71 of MFMA

Appendix T: National and Provincial Outcome for local government.

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATED AND COUNCIL ATTENDANCE

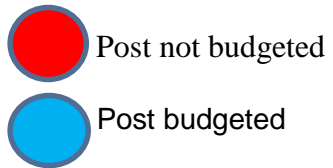
COUNCILLORS; COMMITTEE ALLOCATED AND COUNCIL ATTENDANCE							
Council Member	Full Time/Part Time (FT/PT)	Committee Allocated to	Ward and/or Party Represented		Number of Council meetings	% Council meetings attended	% apologies for non-attendance
Cllr P.B.M Mabele	FT	Speaker (Ex-officio)	PR	NFP	09	100	-
Cllr ZV Mabele	PT	Technical and Planning & MPAC	1	ANC	09	100	-
Cllr S.J. Twala	PT	Corporate Service	2	NFP	09	100	-
Cllr NP Phakathi	PT	Finance	PR	IFP	07	85.7	100
Cllr N.B. Mchunu	FT	Exco & Finance	3	NFP	09	100	-
Cllr ZV Ndlovu	PT	Community Services	4	IFP	09	55.6	0
Cllr MA Kheswa	PT	Finance & MPAC	PR	NFP	09	100	-
Cllr ME Mbatha	PT	Community Services	5	ANC	09	100	-
Cllr S.M. Banda	PT	Corporate Service	PR	ANC	09	11.1	100
Cllr T.B. Njapha	FT	Exco & Technical and Planning	PR	ANC	09	100	-
Cllr S. Zikalala	PT	Technical and Planning	6	NFP	09	100	-
Cllr S.N. Mvelase	PT	Technical and Planning	PR	IFP	09	100	-
Cllr N.C. Mbhele	PT	Corporate Service	7	IFP	09	11.1	100
Cllr P.M. Nzuza	PT	Exco & Corporate Service	PR	IFP	09	100	-
Cllr B.C. Majola	PT	Technical and Planning & MPAC	8	IFP	09	100	-
Cllr N.L. Zikalala	PT	Community Services	PR	ANC	09	100	-

Cllr H.L. Madonsela	PT	Community Services	PR	NFP	<b>09</b>	100	-
Cllr M. Madondo	PT	Corporate Service & MPAC	9	IFP	<b>09</b>	100	-
Cllr M. Ngubane	PT	Exco & Community Services	10	IFP	<b>09</b>	100	-
Cllr M. Smelane	PR		PR	IFP	<b>01</b>	100	-

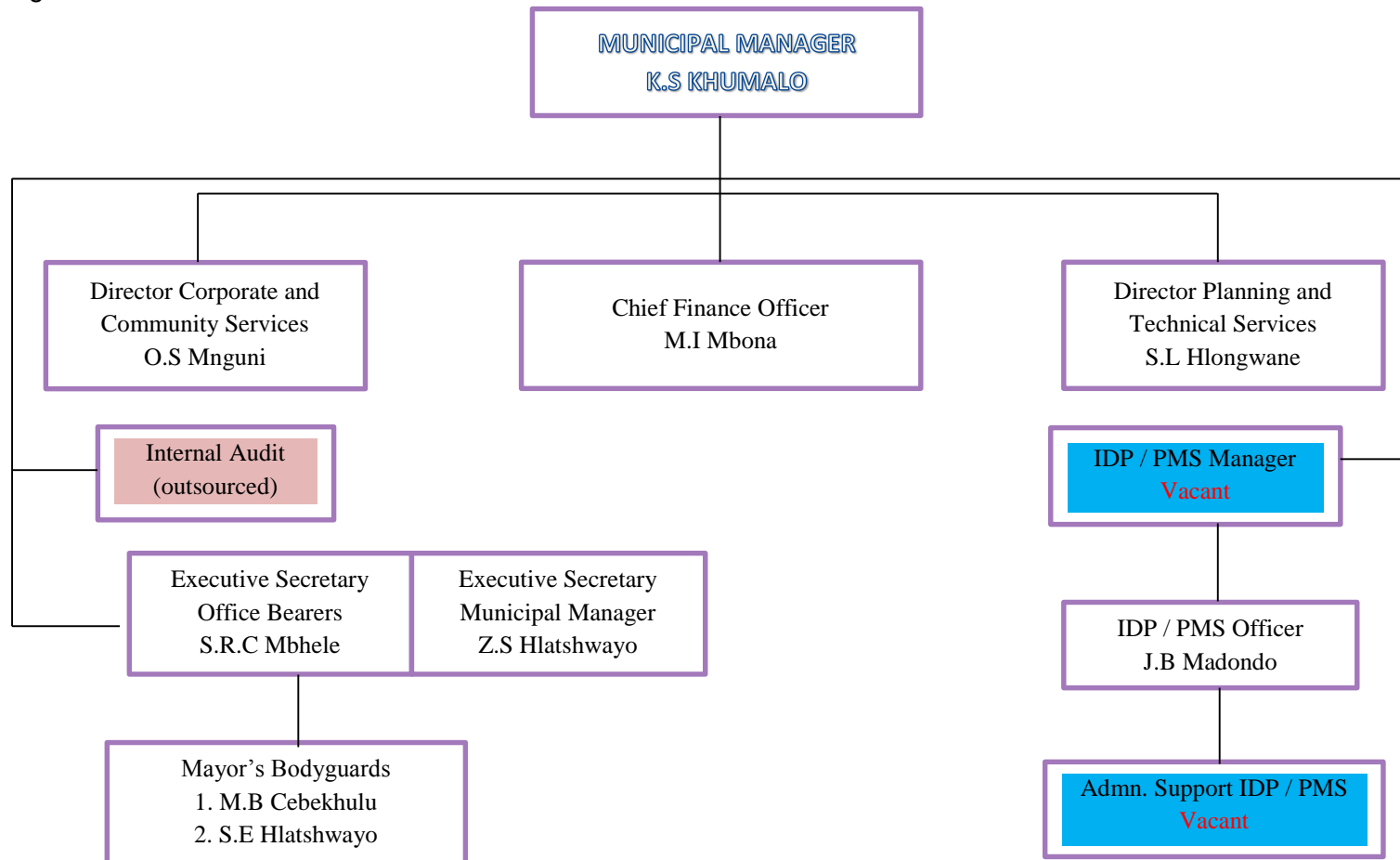
#### APPENDIX B: COMMITTEES AND PURPOSES

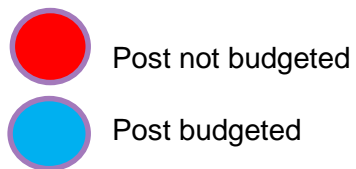
<b>COMMITTEES (OTHER THAN EXCO) AND PURPOSES</b>	
<b>Municipal Committee</b>	<b>Purpose of Committee</b>
Finance Committee	Financial services
Technical and Planning	Technical and planning affairs
Corporate Services	Corporate and Human resources affairs
Community Services	Community related services
Municipal Public Accounts Committee (MPAC)	Oversee the operation of public accounts

APPENDIX C: Thrd Tier Administrative Structure

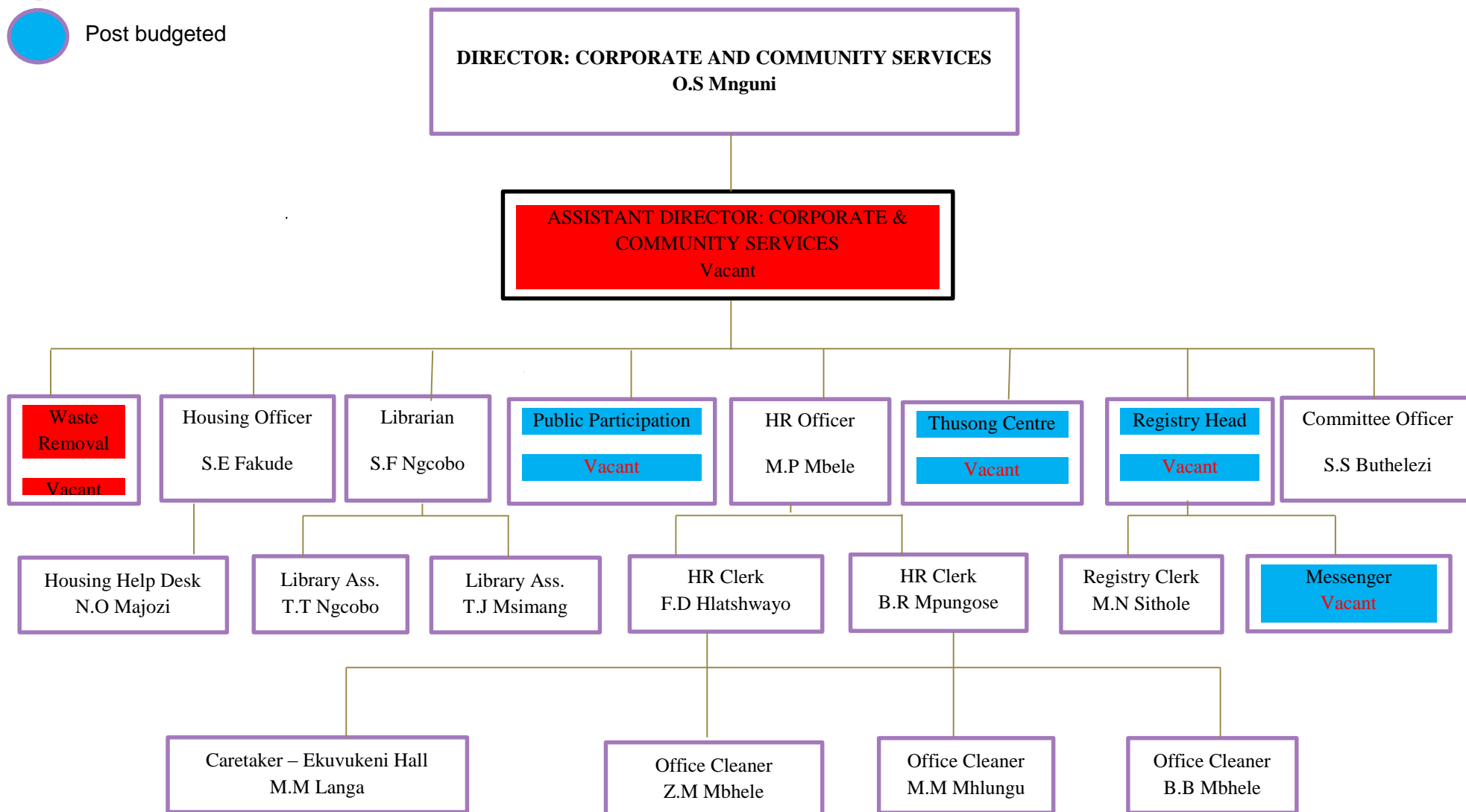


**ANNEXURE “A”**  
**MUNICIPAL MANAGER’S OFFICE**





**ANNEXURE “B”**  
**CORPORATE AND COMMUNITY SERVICES DEPARTMENT**



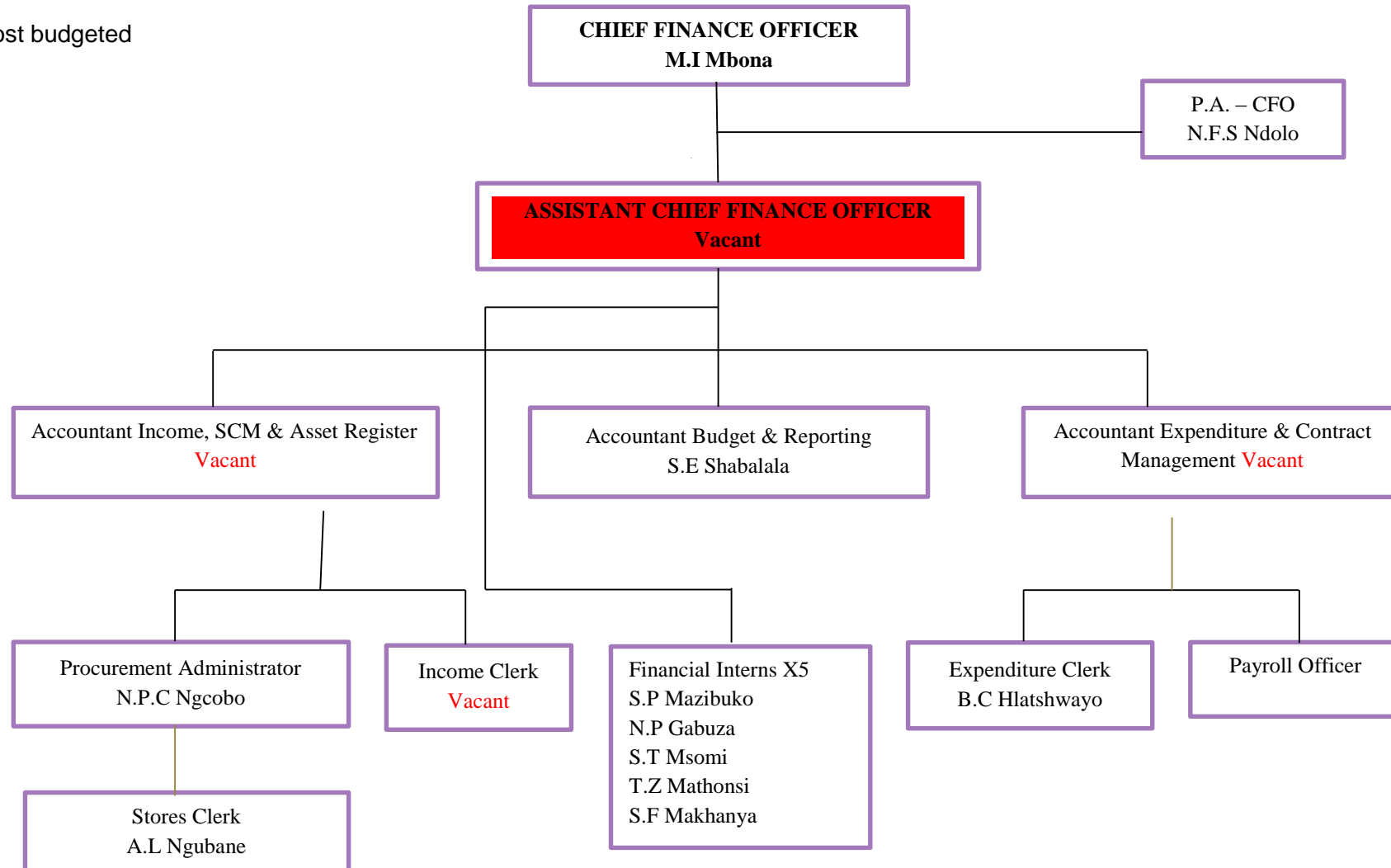


Post not budgeted

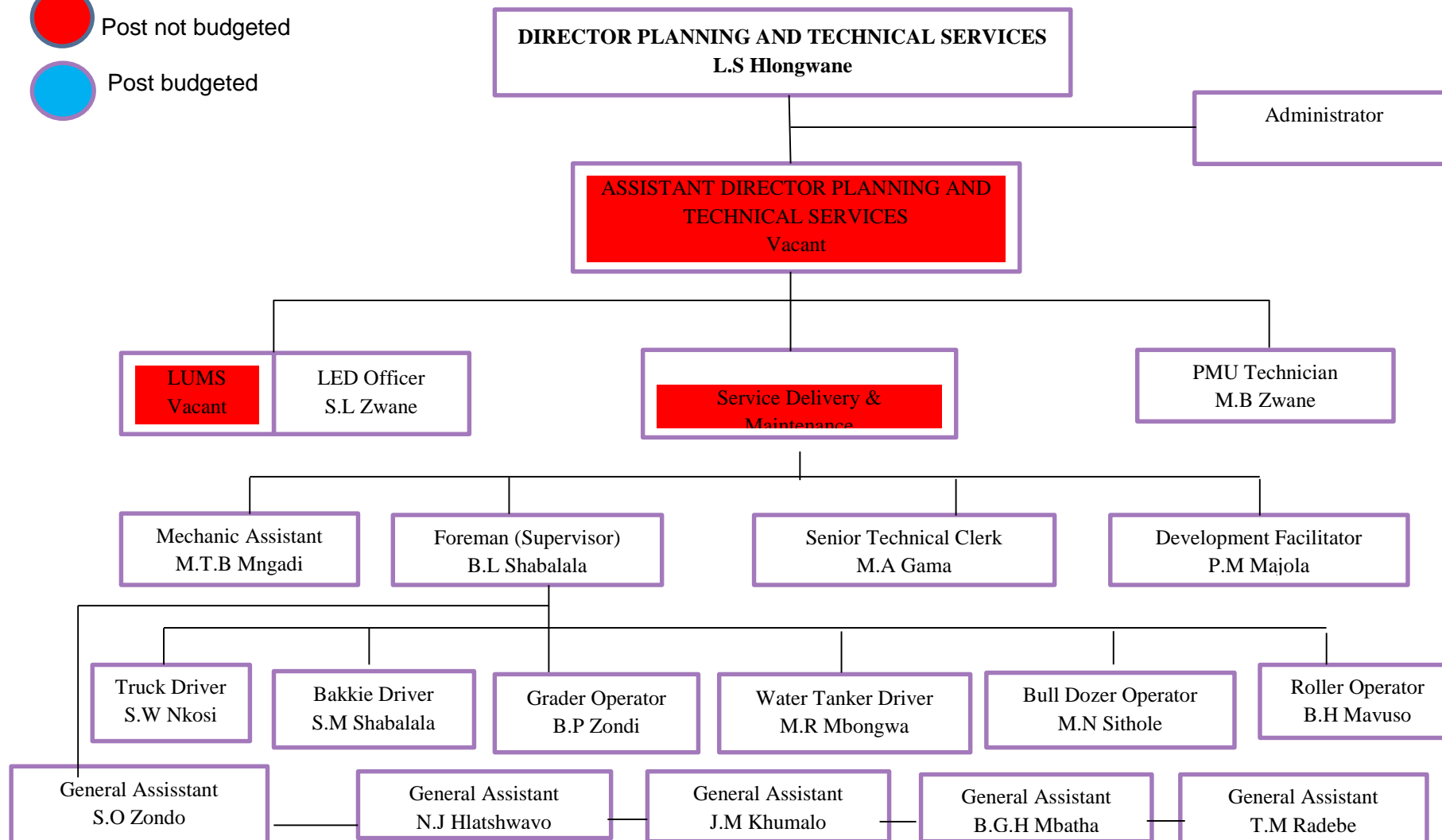
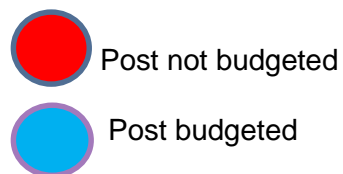


Post budgeted

## ANNEXURE "C" FINANCE SERVICES DEPARTMENT



**ANNEXURE "D"**  
**PLANNING AND TECHNICAL SERVICES DEPARTMENT**



**Please Note:** At the moment the Planning function is outsourced and therefore reporting direct to the Director Planning and Technical Services.



## APPENDIX D: FUNCTIONS OF MUNICIPALITY

<b>Municipal Functions as per Schedules 4 Part B &amp; 5 Part B of MSA</b>		
<b>Municipal Functions</b>	<b>Function Applicable to Municipality (Yes/No)</b>	<b>Function performed by Indaka (Yes/No)</b>
Air pollution	Yes	No
Building regulations	Yes	Yes
Child care facilities	Yes	Yes
Electricity and gas reticulation	Yes	No
Fire-fighting services	Yes	No
Local tourism	Yes	No
Municipal airports	Yes	NO
Municipal planning	Yes	Yes
Municipal health services	Yes	No
Municipal public transport	Yes	Yes
Municipal public works	Yes	No
Pontoons, ferries, jetties, piers and harbours	Yes	No
Storm water management system in built-up areas	Yes	Yes
Trading regulations	Yes	Yes
Water and sanitation services	Yes	No
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	Yes
Cleansing	Yes	No
Control of public nuisance	Yes	No
Control of undertaking the sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	Yes
Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	Yes
Markets	Yes	Yes
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes	No



## APPENDIX E: WARD REPORTING

### WARD ONE

Ward Cllr: ZV Mabele

Remarks: The ward committee is deemed not functional because the Chairperson not chairing the meeting as required by Structures Act

SURNAME	NAME	ID NO	SECTOR	No. of Sectoral Reports		Remarks
				Target	Actual	
Buthelezi	Duduzile	660412 0327 088	Women	09	9	Good
Khumalo	Gretta	410102 0221 083	Religion	09	7	Good
Khuzwayo	Nokuphila	810909 0628 083	Social Welfare	09	8	Good
Manyoni	Muziwakhe	670707 5863 088	Education	09	9	Good
Mtshali	Mthokozisi	870304 6054 087	Remote & Neglected	09	8	Good
Ntuli	Sabalele	520103 0721 087	Business	09	6	Fair
Sibeko	Nomsa	650806 0464 084	Traditional	09	9	Good
Sithole	Mthokozisi	620526 5674 084	Public Transport	09	5	Fair
Thwala	Sithembile	860314 0861 086	Youth & Sport	09	9	Good
Zwane	Themba	620202 5843 083	Safety & Security	09	8	Good

### WARD TWO

Ward Cllr: SJ Twala

Remarks: The ward committee was declared functional in last two quarters of the year as they are conducting monthly meetings along with their chairperson and also submit their reports.

Surname	Name	Id no	Sector	No. of Sectoral Reports		Remarks
				Target	Actual	
Gwala	Slindile	810606 1922 081	Women	09	9	Good
Khanyi	Siphiwe	350501 5159 085	Traditional	09	9	Good
Mbatha	Winnus	810803 5181 083	LED	09	9	Good
Mncwangi	Ntombifuthi	720830 0483 084	Social Welfare	09	9	Good
Mkhize	Thandeka	870921 0564 082	Health	09	9	Good
Ndlovu	Nomasonto	821213 1117 080	Religion	09	9	Good
Sithole	Nompilo	870215 0574 088	Disability	09	9	Good
Mbense	Dumisane	830630 5427 083	Youth & Sports	09	8	Good
Zondi	Hlophe	650416 0789 082	Education	09	9	Good
Zondo	Lucky		Business	05	5	Good

### WARD THREE

Ward Cllr: N.B. Mchunu

Remarks: The ward committee was declared functional (April-June) as they are conducting monthly meetings along with their chairperson and also submit their report.

Surname	Name	Id no	Sector	No. of Sectoral Reports		Remarks
				Target	Actual	
Mbuyisa	Sanelisiwe	820528 1140 084	Youth & Sport	09	9	Good
Qwabe	Musa	770424 5304 084	Transport	09	8	Good
Ngema	Gugu	561106 5787 086	Small Business	09	3	Poor
Nkomzwayo	Nokuphila	680810 0566 082	Traditional	09	7	Good
Buthelezi	Ntombizethu	600108 0821 087	Health	09	7	Good
Ndlovu	Wilfred	470117 5495 083	Religion	09	9	Good
Ntshingila	Patric	400129 5323 087	Syndicate	09	7	Good
Mhlongo	Ningi	780919 0935 087	Education	09	7	Good
Sthole	Thandekile	640929 0691 085	Women	09	7	Good
Nkabinde	Doris		Neglected	04	4	Good

### WARD FOUR

Ward Cllr: SV Ndlovu (Resigned during the financial year)

Remarks: The ward committee was declared functional (April-June 2014) as they convening their meeting and Speaker assisted in ward 4 by conducting community meetings

Surname	Name	Id no	sector	No. of Sectoral Reports		Remarks
				Target	Actual	
Mhlongo	Prophet	670201 5609 089	Agriculture	09	8	Good
Sithole	Thabani	641022 5332 084	Religion	09	8	Good
Mtshali	Ntombizinhle	780524 0878 087	Transport	09	7	Good
Kunene	Nomathalente	841115 0291 087	Youth & Sport	09	8	Good
Nsele	Nonhlanhla	870723 1210 081	Education	09	7	Good
Magubane	Nelisiwe	650815 0443 089	Women	09	7	Good
Xulu	Vusi	710313 0358 089	L.E.D	09	7	Good
Khumalo	Siyanda	900328 5715 087	Safety & Security	09	7	Good
Xaba	Mkhulekelwa	520108 5248 085	Health & Disability	09	7	Good
Ndlovu	Themba		Health	05	5	Good

**WARD FIVE****WARD CLLR: M.E. Mbatha****Remarks: The ward committee is deemed not functional because they failed to convene ward committee meetings**

Surname	Name	Id no	Sector	No. of Sectoral Reports		Remarks
				Target	Actual	
Mlanzi	Ntombizodwa	620602 0393 085	Health & Disability	09	6	Good
Kheswa	Stella	590923 0796 085	Religion	09	4	Fair
Mweli	Musa	800420 5631 082	LED	09	5	Good
Sithole	Wadi	900501 5354 087	Youth	09	6	Good
Sikhulumi	Golden	740518 5422 080	Sports	09	9	Good
Khumalo	Phumlani	840913 5428 089	Education	09	7	Good
Ngubane	Tholakele	710809 0404 082	Safety & Security	09	9	Good
Femela	Hazel	630201 0705 089	Women	09	9	Good
Mbongwa	Nomusa	691106 0710 086	Social Welfare	09	5	Good
Mndaweni	Lethukuthula	820215 5770 088	Business	09	6	Good

**WARD SIX****WARD CLLR: Cllr SJ Zikalala****Remarks: The ward committee is deemed not functional because they failed to convene 3 ward committee meetings per quarter**

Surname	Name	Id no	Sector	No. of Sectoral Reports		Remarks
				Target	Actual	
Mthembu	Hlalisile	811025 0304 085	Agriculture	09	6	Good
Hudla	Nompumelelo	740604 0745 087	Women	09	6	Good
Hlatshwayo	Nelisiwe	830524 0828 082	Social Welfare	09	6	Good
Ngwenya	Senzo	870705 6195 086	Education	09	6	Good
Shabalala	Menzi	770522 5237 087	Youth & Sport	09	6	Good
Mbhele	Sibongiseni	750706 6084 085	Religious	09	6	Good
Vilakazi	Bheki	791127 5985 084	Transport	09	8	Good
Thabede	Xolile	671117 0432 088	Health & Disability	09	4	Poor
Ngcobo	Mlanjeni	800602 5605 089	Neglected	09	6	Good
Mabaso	Victor	611028 5635 083	Traditional	09	6	Good

**WARD 7****WARD CLLR: Cllr NG MBHELE**

Remarks: The ward committee was declare functional (April-June 2014) as they attending meeting along with their chairperson and they also submit their report

Surname	Name	Id no	Sector	No. of Sectoral Reports		Remarks
				Target	Actual	
Ngidi	Zakhele	650912 5634 083	Health & Disability	09	7	Good
Madondo	Mthembeni	760415 5516 083	Social Welfare	09	6	Good
Mweli	Nhlanhla	710416 5752 083	LED	09	7	Good
Mjiyakho	Khanyisile	670416 0718 087	Business	09	6	Good
Ngobese	Mvumeleni	821210 5567 083	Safety & Security	09	5	Good
Mbhele	Mbekezeli	800616 7010 080	Youth & Sport	09	6	Good
Sithole	Lalelani	741125 0480 086	Women	09	7	Good
Madondo	Zithathe	641027 7548 08 6	Traditional	09	7	Good
Khumalo	Sanelisiwe	750329 0255 088	Education	09	1	Poor
Mbatha	Nonhlanhla	720512 0559 081	Religion	09	6	Good

**WARD EIGHT****WARD CLLR: Cllr BC Majola**

Remarks: The ward committee was declare functional (April-June 2014)as they attending meeting along with their chairperson and they also submit their report

Surname	Name	Id no	Sector	No. of Sectoral Reports		Remarks
				Target	Actual	
Zwane	Dumisa	870324 4565 080	Traditional	09	6	Good
Zwane	Celumusa	820629 5481 084	Health & Disability	09	6	Good
Shabalala	Musawenkosi	720913 5358 083	Religion	09	6	Good
Mgaga	Nkosingiphile	660417 5334 088	Transports	09	6	Good
Duze	Philile	900717 1070 086	Youth & Sports	09	6	Good
Mdluli	Falakhe	801213 5553 086	Education	09	6	Good
Dlangalala	Philisiwe	820824 1283 085	Safety & Security	09	6	Good
Masango	Duduzile	640510 0627 087	Women	09	6	Good
Hadebe	Gqabhazile	870511 0619083	Business	09	6	Good
Mvelase	Vutha	701108 5484 087	Neglected	09	6	Good

**WARD NINE****WARD CLLR: Cllr M Madondo****Remarks: The ward committee was declare functional (April-June2014) as they attending meeting and they also submit their report**

Surname	name	Id no	sector	No. of Sectoral Reports		Remarks
				Target	Actual	
Sithebe	Mduduzi	660804 5485 087	Health & Disability	09	6	Good
Zwane	Mandleliso	400208 5208 082	Traditional	09	6	Good
Tambane	Lindiwe	680913 0978 081	Transports	09	6	Good
Ngqulunga	Fakani	790720 5629 081	Youth & Sports	09	6	Good
Khumalo	Siyabonga	870211 5807 086	Education	09	6	Good
Sithole	Salaphi	780315 1086 089	Social Welfare	09	6	Good
Ngubane	Yvonne	660412 0529 089	Women	09	6	Good
Mbuli	Victor	560802 5787 081	Safety & Security	09	6	Good
Sithole	Badidile	850802 0552 083	LED	09	6	Good

**WARD TEN****WARD CLLR: Cllr M. Ngubane****Remarks: The ward committee is deemed not functional because they failed to convened ward committee meetings**

Surname	name	Id no	Sector	No. of Sectoral Reports Submitted		Remarks
				Target	Actual	
Mdlolo	Vikimpi	780707 5922 089	Religion	09	6	Good
Chonco	Sifundo	860128 5677 081	Business	09	6	Good
Zwane	Bhazuka	750606 1968 086	Neglected	09	6	Good
Madondo	Sayinile	720914 0583 089	Health & Disability	09	4	Poor
Mvelase	Shaka	600211 5731 085	Transport	09	6	Good
Khumalo	Mduduzi	850914 5345 080	Youth & Sports	09	6	Good
Mbatha	Bonakele	760315 1058 082	Women	09	6	Good
Dlamini	Caphius	820115 6338 085	LED	09	6	Good
Mncube	Thandokuhle	841209 1090083	Social Welfare	09	6	Good





## APPENDIX F: WARD INFORMATION

Ward Title: Ward Name (Number) Capital Projects: Seven Largest in Year 0 (Full List at Appendix P)				
No.	Project Name and detail	Start Date	End Date	Total Value
1.	Electrification of 304 households in wards 2, 3 and 4	Not started	Incomplete	R7 000 000.00
2.	Erecting and commissioning of 5 high mast lights in Uitvaal	Not started	Incomplete	R1 500 000.00
3.	Construction of 2.5km G5 gravel road in ward 4 Nazareth	January 2013	complete	R2 731 675.00
4.	Construction of 2.4km asphalt and storm water drainage in ward 5 Ekuvukeni	January 2013	Incomplete	R5 708 908.00
5.	Construction of 3.5km G5 gravel road in ward 1 Lubelo-Mngceleni	January 2013	complete	R 4 250 800.00
6.	Construction of 9.2km G5 gravel road in ward 3 Tholeni	January 2013	complete	R7 651 617.00

Basic Service Provision					
Detail	Water		Sanitation	Electricity	Refuse Removal
	Inside the yard	Inside household			
Number of households with minimum basic services	9,121	2,119	9,357	11,654	2,683
Number of households without minimum basic services	10,911	17,913	10675	8,378	17,349
<b>Total number of households</b>	<b>20,032</b>	<b>20,032</b>	<b>20,032</b>	<b>20,032</b>	<b>20,032</b>
<i>Source: 2011 Census</i>					

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
Ward	Priority Name and Detail	Progress During Year 0
1.	Water	
	Sanitation	
	Electricity	
	Roads and storm water	
2.	Water	
	Sanitation	
	Storm water	
	Community/Sports facilities	
3.	Water	
	Sanitation	
	Electricity	
	Roads and storm water	
4.	Water	
	Sanitation	
	Electricity	
	Roads and storm water	
5.	Water	
	Roads and storm water	
	Community/Sports facilities	
	Waste collection	

6.	Water	
	Sanitation	
	Electricity	
	Roads and storm water	
7.	Water	
	Sanitation	
	Electricity	
	Roads and storm water	
8.	Water	
	Sanitation	
	Electricity	
	Roads and storm water	
9.	Water	
	Sanitation	
	Electricity	
	Roads and storm water	
10.	Water	
	Roads and storm water	
	Housing and land	
	Local Economic Development	
<b>Source: 2013/2014 IDP</b>		

**APPENDIX G: RECOMMENDATIONS OF THE AUDIT COMMITTEE**

<b>Name &amp; Surname</b>	<b>Number of meetings held</b>	<b>Number of meetings attended</b>
Mr. S Majola	4	4
Ms. N Mchunu	4	3
Mr. A Jordan	4	3
Mr. D Mbatha	4	4

## APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during Year 0)					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	End Date of Contract	Project Manager	Contract Value

Public Private Partnerships Entered into during Year 0					
Name and description of the project	Name of partner(s)	Initiation Date	Termination Date	Project Manager	Contract Value

## APPENDIX I: PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

### PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

The following are the service providers engaged in each business unit during the 2012/13 financial year.

Assessment of External Service Providers				
External Service Provider	Service provided in terms of signed SLA	Performance Target/ Time-frames	Assessment of Service Provider's Performance	PoE and Corrective measure in case of underperformance
Indwe Risk Management	Insuring municipal assets	3 months contract	Good	n/a
ITNA	ICT		Good	n/a
MUNSOFT	Financial System		Good	n/a
Sizowakha	Security Services	36 months	Fair	Strengthening their controls in terms of searching of people in and outside the municipal premises
Xerox (Pty) Ltd	Printing/Photostat services	60 months	Fair	
Bonakude Consulting	Internal Auditing	36 months	Good	
Mahlaselondwe Trading cc	Road construction (Lubelo-Mngceleni)	4 months	Good	n/a
		4 months	Good	n/a

Busizwe Trading Enterprise	Road construction (Tholeni road)			
Hluxukan JV True Build	Road construction (Nazareth road)	4 months	Good	n/a
Bhenezuzi Construction	Road Construction (Ekuvukeni paved road)	6 months	Poor	Extension of time
Scelimpilo Construction	Road Construction (Obhukwini)	4 months	Poor	Contract terminated
Veez Micro Enterprise	Electrification of ward 2, 3 and 4	5 months	Poor	Extension of time
Phelela Construction	Ekuvukeni Tar Road Phase 3	1 month	Poor	Terminate and appoint a new contractor
Sikoti Investment	Limehill Access Road	6 Months	Excellent	None
Bee and Tee	Emanсени Access Road	6 Months	Excellent	None
Velvet Mountain	Ntshale Road	6 Months	Good	To terminate and to complete the outstanding work and claim surety
FB Construction	Ilenge Hall	4 Months	Good	None
Veez	Uitval Highmast	8 Weeks	Poor	To terminate
JSV Construction	Obhukwini Road	6 Months	Poor	To terminate and claim surety

## APPENDIX J: DISCLOSURE OF FINANCIAL INTERESTS

Disclosure of financial interests		
Period 1 July 2013-30 June 2014		
Position	Name	Description of financial interest (Nil or details)
Mayor	Cllr N.B. Mchunu	Nil
Deputy Mayor	Cllr T.B. Njapha	Nil
Exco Members	Cllr P.M. Nzuza	Nil
	Cllr M. Ngubane	Nil
Speaker	Cllr P.B.M Mabele	Nil
Councillors		
	Cllr MA Kheswa	Nil
	Cllr ME Mbatha	Nil
	Cllr S.M. Banda	Nil
	Cllr S. Zikalala	Nil
	Cllr S.N. Mvelase	Nil
	Cllr N.C. Mbhele	Nil
	Cllr B.C. Majola	Nil
	Cllr N.L. Zikalala	Nil
	Cllr H.L. Madonsela	Nil
	Cllr M. Madondo	Nil
	Cllr T.B.M. Shezi	Nil
	Cllr ZV Mabele	Nil
	Cllr S.J. Twala	Nil
	Cllr NP Phakathi	Nil
	Cllr ZV Ndlovu	Nil
Municipal Manager	Mr. K.S. Khumalo	Nil
Other section 56 officials:	Mr. L.S. Hlongwane	Nil
	Mrs N.H.M. Dladla	Nil
	Mr. O.S. Mnguni	Nil
	Mr. M.I Mbona	Nil





# APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Description	Current Year 2011/12				
	Original Budget	Adjusted Budget	Year TD actual	Year TD budget	YTD variance
<b>R thousands</b>					
<b>Revenue - Standard</b>					
<b>Municipal governance and administration</b>	<b>69 742</b>	<b>71 698</b>	<b>72 592</b>	<b>29 059</b>	<b>43 533</b>
Executive and council	3 139	3 139	3 139	1 308	1 831
Mayor and Council	3 139	3 139	3 139	1 308	1 831
Municipal Manager					-
Budget and treasury office	65 950	68 045	68 939	27 479	41 460
Corporate services	653	514	514	272	242
Property Services					-
Other Admin	653	514	514	272	242
<b>Community and public safety</b>	-	-	-	-	-
<b>Economic and environmental services</b>	<b>39 847</b>	<b>35 484</b>	<b>23 749</b>	<b>16 603</b>	<b>7 146</b>
Planning and development	-	-	-	-	-
Economic Development/Planning					-
Town Planning/Building					-
enforcement					-
Licensing & Regulation					-
Road transport	39 847	35 484	23 749	16 603	7 146
Roads	39 847	35 484	23 749	16 603	7 146
	109				
<b>Total Revenue - Standard</b>	<b>589</b>	<b>107 182</b>	<b>96 341</b>	<b>45 662</b>	<b>50 679</b>
<b>Expenditure - Standard</b>					
<b>Municipal governance and administration</b>	<b>39 170</b>	<b>40 109</b>	<b>33 341</b>	<b>16 321</b>	<b>17 020</b>
Executive and council	9 259	8 760	8 361	3 858	4 503
Mayor and Council	9 259	8 760	8 361	3 858	4 503
Municipal Manager					-
Budget and treasury office	16 890	18 442	16 092	7 037	9 055
Corporate services	13 021	12 907	8 888	5 426	3 462
Human Resources					-
Information Technology					-
Property Services					-
Other Admin	13 021	12 907	8 888	5 426	3 462
<b>Community and public safety</b>	-	-	-	-	-
Community and social services	-	-	-	-	-
<b>Economic and environmental services</b>	<b>18 973</b>	<b>14 959</b>	<b>10 260</b>	<b>7 905</b>	<b>2 355</b>
Planning and development	3 910	3 579	2 343	1 629	714
Economic Development/Planning	3 910	3 579	2 343	1 629	714
Town Planning/Building					-
enforcement					-
Licensing & Regulation					-
Road transport	15 063	11 380	7 917	6 276	1 641
Roads	15 063	11 380	7 917	6 276	1 641
<b>Total Expenditure - Standard</b>	<b>58 143</b>	<b>55 069</b>	<b>43 601</b>	<b>24 226</b>	<b>19 375</b>
<b>Surplus/(Deficit) for the year</b>	<b>51 446</b>	<b>52 114</b>	<b>52 740</b>	<b>21 436</b>	<b>31 304</b>

## APPENDIX K (II): REVENUE COLLECTION BY SOURCE

Description R thousand			2012 / 2013	Current Year 2013/14		
	Audited Outcome	Audited Outcome	Audited Outcome	Budget	Adjustment Budget.	June
<b>Revenue By Source</b>						
Property rates	–	–	1 777	2 029	2 234	2 189
Property rates - penalties & collection charges						
Service charges - electricity revenue	–	–	–	–		
Service charges - water revenue	–	–	–	–		
Service charges - sanitation revenue	–	–	–	–		
Service charges - refuse revenue	169	140	179	189	220	222
Service charges - other						
Rental of facilities and equipment	35	46	76	76	78	103
Interest earned - external investments	75	313	1 200	1 000	2 850	3 876
Interest earned - outstanding debtors						
Dividends received						
Fines						
Licences and permits						
Agency services						
Transfers recognised - operational	49 249	59 216	67 170	67 380	67 241	66 851
Other revenue	37	275	72	69	75	113
Gains on disposal of PPE					–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>49 565</b>	<b>59 990</b>	<b>70 473</b>	<b>70 742</b>	<b>72 698</b>	<b>73 355</b>
<b>Expenditure By Type</b>						
Employee related costs	8 376	10 915	10 873	12 268	11 966	9 257
Remuneration of councillors	4 361	3 574	5 039	5 385	5 415	5 125
Debt impairment			900	1 200	700	619
Depreciation & asset impairment	3 023	3 317	5 000	7 290	8 690	9 806
Finance charges	530	576	200	275	195	214
Bulk purchases	–	–	–	–		
Other materials						
Contracted services	5 079	5 295	4 563	4 535	4 285	3 335
Transfers and grants	8 069	16 149	1 000	1 000	800	560
Other expenditure	14 490	20 283	19 615	26 191	23 018	14 657
Loss on disposal of PPE					–	29
<b>Total Expenditure</b>	<b>43 928</b>	<b>60 110</b>	<b>47 190</b>	<b>58 143</b>	<b>55 069</b>	<b>43 601</b>
<b>Surplus/(Deficit)</b>	<b>5 637</b>	<b>(120)</b>	<b>23 282</b>	<b>12 599</b>	<b>17 629</b>	<b>29 754</b>
Transfers recognised - capital			20 343	38 847	(17 590)	22 986
Contributions recognised - capital	–	–	–	–		
Contributed assets						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>5 637</b>	<b>(120)</b>	<b>43 625</b>	<b>51 446</b>	<b>39</b>	<b>52 740</b>
Taxation						
<b>Surplus/(Deficit) after taxation</b>	<b>5 637</b>	<b>(120)</b>	<b>43 625</b>	<b>51 446</b>		
Attributable to minorities						
<b>Surplus/(Deficit) attributable to municipality</b>	<b>5 637</b>	<b>(120)</b>	<b>43 625</b>	<b>51 446</b>		
Share of surplus/ (deficit) of associate						
<b>Surplus/(Deficit) for the year</b>	<b>5 637</b>	<b>(120)</b>	<b>43 625</b>	<b>51 446</b>		

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustment budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment budget	
Neighbourhood Development Grant	n/a	n/a	n/a	n/a	n/a	n/a
Public Transport Infrastructure and Systems Grant	n/a	n/a	n/a	n/a	n/a	n/a
Expanded Public Works Program	R 1000 000, 00	R 0, 00	R 762 390, 45	R 1000 000, 00	R 0, 00	Job Creation
Department of Energy	R 7 000 000, 00	R 0, 00	R 7 000 000, 00	R 1000 000, 00	R 0, 00	Electricity Grant
Other grant						
Total						

*\* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.*



## APPENDIX M (I): CAPITAL EXPENDITURE-NEW ASSETS PROGRAMME

[illegible]



## APPENDIX M (II): CAPITAL EXPENDITURE-UPGRADE/RENEWAL PROGRAMME

[illegible]

# APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

Capital Programme by Project: Year 0					
Capital project	Original budget	Adjustment budget	Actual	Variance (Act-Adj) %	Variance (Act-AB) %
<b>Infrastructure - Road</b>					
<b>Road name</b>					
Project A: Construction of 2, 4 km of Ekuvukeni phase 1 paved road.	R3 900 000,00	-	R1 154 092,00		
Project B: Construction of 1km of Ekuvukeni phase iii paved road.	R2 000 000,00	-	-		
Project C: Construction of 3,3 km Nazareth G5ii gravel road	R780 283,41	611 000	R642 903,00		
Project D: Construction of 3,3 km Lubelo – Emngceleni G5 gravel road	R717 500,00	-	R717 366,00		
Project E: Construction of 1.2 km of Ilenge G5 gravel road	R1 000 000,00	-	R713 429,00		
Project F: Construction of 9,2 km of Tholeni G5 gravel road	R1 612 027,00	-	R1 786 900,00		
Project G: Construction of 3.1 km of Obhukwini G5 gravel road	R2 800 000,00	-	-		
Project H: Construction of 9,2 km of Emanseleni G5 gravel road	R1 196 000,00	-	R1 564 703,00		
Project I: Construction of 6, 8 km of Limehill G5 gravel gravel road.	R7 234 296,00	-	R7 426 318,00		
Project J: Construction of 2,4 km of Ntshela to kwaMgombane gravel road.	R4 421 274,00	-	R3 410 034,00		
Project K: Construction of 8 km of Madilika G5 gravel road.	R8 259 831,94	-	R4 519 842,00		



<b>Sports, Arts &amp; Culture</b>					
Refurbishment of Somshoek Community Hall	<b>R650 000,00</b>		<b>R363 176,00</b>		
Refurbishment of Ilenge Community Hall	<b>R700 000,00</b>		<b>R653 165,00</b>		
Project L: Refurbishment of Municipal Buildings	<b>R700 000,00</b>		<b>R615 770,00</b>		
Project M: Paving of Municipal Parking.	<b>R300 000,00</b>		-		
Project O : Completion of Sports Field in ward 1 by 31 March 2014.	<b>R1 500 000,00</b>		-		

## APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

Capital Programme by Project by Ward: Year 0		
Capital Project	Ward(s) affected	Work completed (Yes/No)
<b>Electricity</b>		
Project A: Electrification project	2, 3 and 4	No
Project C: Erection and commissioning of 5 high mast lights at Uitval	2	No
<b>Infrastructure-Road</b>		
Project A: Construction of 2, 4 km of Ekuvukeni phase 1 paved road.	5	No
Project B: Construction of 1km of Ekuvukeni phase iii paved road.	5	No
Project C: Construction of 3,3 km Nazareth G5ii gravel road	4	Yes
Project D: Construction of 3,3 km Lubelo –Emngceleni G5 gravel road	1	Yes
Project E: Construction of 1.2 km of Ilenge G5 gravel road	7	Yes
Project F: Construction of 9,2 km of Tholeni G5 gravel road	3	Yes
Project G: Construction of 3.1 km of Obhukwini G5 gravel road	8	No
Project H: Construction of 9,2 km of Emanseleni G5 gravel road	10	No
Project I: Construction of 6, 8 km of Limehill G5 gravel gravel road.	3	Yes
Project J: Construction of 2,4 km of Ntshela to kwaMgombane gravel road.	6	No
Project K: Construction of 8 km of Madilika G5 gravel road.	8	No
<b>Community Facilities</b>		
Refurbishment of Somsoek Community Hall	7	Yes
Refurbishment of Ilenge Community Hall	7	Yes
Project L: Refurbishment of Municipal Buildings	n/a	Yes
Project M: Paving of Municipal Parking.	n/a	No
Project O : Completion of Sports Field in ward 1 by 31 March 2014.	1	No
<b>Refuse collection</b>		
Project A: Weekly removal of refuse from Uitval, Ekuvukeni and Waaihoek.	2,5&6	Yes, On-going
<b>Other projects</b>		
Project A: Fencing of Land fill site of Ekuvukeni	5	No

# APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water (Y/N)	Sanitation (Y/N)	Electricity (Y/N)	Solid Waste Collection (Y/N)
Schools (Names and location)				No
Bhande H	Yes	Yes	Yes	No
Bhekabathembu H	Yes	Yes	Yes	No
Cengesi P	Yes	Yes	Yes	No
Dival P	Yes	Yes	Yes	No
Dumangobuhle P	Yes	Yes	Yes	No
Dumisa C	Yes	Yes	Yes	No
Ecancane P	Yes	Yes	Yes	No
Eludimbi P	Yes	Yes	Yes	No
Emabhekazi C	Yes	Chemical toilets	Yes	No
Emafusini SP	Yes	Yes	Yes	No
Emahlekwane JP	Yes	Yes	Yes	No
Emalahleni P	Yes	Yes	Yes	No
Embizeni H	Yes	Yes	Yes	No
Emlilweni P	Yes	Yes	Yes	No
Empolombeni P	Yes	Yes	Yes	No
Engqondweni H	Yes	Yes	Yes	No
Fundani P	Yes	Yes	Yes	No
Ilinge P	Yes	Yes	No	No
Imfanelo SP	Yes	Yes	Yes	No
Impolwane H	Yes	Yes	Yes	No
Inkunzi P	Yes	Yes	Yes	No
Intandoyesizwe H	Yes	Yes	Yes	No
Isibankwa P	Yes	Yes	Yes	No
Jobe S	Yes	Yes	No	No
Khuthalani P	Yes	Yes	Yes	No
Kwangwabo P	Yes	Yes	Yes	No
Langaletu SP	Yes	Yes	Yes	No
Limehill H	Yes	Yes	Yes	No
Lokothwayo C	Yes	Yes	Yes	No
Lubelo P	Yes	Yes	Yes	No
Madlala P	Yes	Yes	Yes	No
Mandlakhe S	Yes	Yes	Yes	No
Mankayana H	Yes	Yes	Yes	No
Mbango P	Yes	Yes	Yes	No
Mbelebele P	No	Yes	Yes	No
Mbizoyamaswazi P	Yes	Yes	Yes	No
Melusi P	Yes	Yes	Yes	No
Mhlumayo P	Yes	Yes	Yes	No
Mkhulunyelwa P	Yes	Yes	Yes	No
Mlonyeni P	Yes	Yes	Yes	No
Mndeni P	Yes	Yes	Yes	No
Mngayi P	Yes	Yes	Yes	No
Mtungwa P	Yes	Yes	Yes	No
Mnyanda P	Yes	Yes	Yes	No
Mzimela S	Yes	Yes	Yes	No
Mziyonke P	Yes	Yes	Yes	No
Namakazi P	Yes	Yes	Yes	No
Nethezeka H	Yes	Yes	Yes	No
Ngcede JP	Yes	Yes	Yes	No
Ngoza S	Yes	Yes	Yes	No
Nhlalakahle P	Yes	Yes	Yes	No
Nhlambamasoka P	Yes	Yes	Yes	No
Nkanyezi P	Yes	Yes	Yes	No
Nodada P	Yes	Yes	Yes	No

Ntsikayezwe C	Yes	Yes	Yes	No
Ntokozo P	Yes	Yes	Yes	No
Ntshole P	Yes	Yes	Yes	No
Ntshosho P	Yes	Yes	Yes	No
Nyende P	Yes	Yes	Yes	No
Oqungweni P	Yes	Yes	Yes	No
Phindokuhle H	Yes	Yes	Yes	No
Sahlumbe H	Yes	Yes	Yes	No
Shangela P	Yes	Yes	Yes	No
Sibongintuthuko P	Yes	Yes	No	No
Sicelukukhanya H	Yes	Yes	Yes	No
Sigidi P	Yes	Yes	Yes	No
Sigweje H	Yes	Yes	Yes	No
Silokoza S	Yes	Yes	Yes	No
Siphendukile P	Yes	Yes	Yes	No
Siphimfundo S	Yes	Yes	Yes	No
Sivukile P	Yes	Yes	Yes	No
Siyaphambili P	Yes	Yes	Yes	No
Somhloshana P	Yes	Yes	Yes	No
Sondoda JP	Yes	Yes	Yes	No
Thembokuhle P	Yes	Yes	No	No
Thobezweni P	Yes	Yes	Yes	No
Thobisizwe P	Yes	Yes	Yes	No
Thuthukani P	Yes	Yes	Yes	No
Umbango S	Yes	Yes	Yes	No
Vikinduku P	Yes	Yes	Yes	No
Wittekleinfontein P	Yes	Yes	Yes	No
Zikode H	Yes	Yes	Yes	No
Zimisele P	Yes	Yes	Yes	No
Clinics (names and location)				
Sahlumbe clinic (ward 10)	Yes	Yes	Yes	No
Gcinalishone clinic (ward 9)	Yes	Yes	Yes	No
KwaMteyi clinic (ward 8)	Yes	Yes	Yes	No
Ekuvukeni clinic (ward 5)	Yes	Yes	Yes	No
Limehill clinic (ward 3)	Yes	Yes	Yes	No
Sgweje clinic (ward 1)	Yes	Yes	Yes	No

**APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION**

<b>Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)</b>		
<b>Services and location</b>	<b>Scale of backlog</b>	<b>Impact of backlog</b>
<b>Clinics:</b>	<b>High</b>	<b>High</b>
<b>Housing:</b>	<b>High</b>	<b>High</b>
<b>Licencing and Testing Centre:</b>	<b>High</b>	<b>High</b>
<b>Reservoirs</b>	<b>High</b>	<b>High</b>
<b>Schools (Primary and High):</b>	<b>Medium</b>	<b>Low</b>
<b>Sports Fields:</b>	<b>High</b>	<b>Medium</b>

## APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 0				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R'00	Total Amount committed over previous and future years

## APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71						
Month	Declaration made to the:					
	Mayor (Y/N)	Date	Provincial Treasury (Y/N)	Date	National Treasury (Y/N)	Date
July						
August						
September						
October						
November						
December						
January						
February						
March						
April						
May						
June						

## APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or percentages achieved